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FISCAL IMPACT STATEMENT

LS 7735

BILL NUMBER: HB 1530

NOTE PREPARED: Jan 8, 2005

BILL AMENDED:

SUBJECT: Mandatory school attendance age.

FIRST AUTHOR: Rep. Messer

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: Local

Summary of Legislation: This bill raises the age of mandatory school attendance from 16 to 18 years of age.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The impact of the bill on the state would be on the increase in the ADM used in the school formula. About 4,000 students drop out of school each year, approximately 2,000 juniors and 2,000 seniors. The raising the dropout age to 18 would increase the number of students attending school by about 4,000 the first year and 6,000 for the second year. The increase in state funding would depend on the school formula. The current formula is only for CY 2005. The impact would depend on the future school funding formulas. If the current formula is used as a measure for state expenditures, then the approximate increase in state costs would be approximately \$8.7 M for CY 2006 and \$11.3 M in CY 2007. Property taxes would also increase by about \$2 M. The state currently funds about 67% of the school general fund levies through property tax replacement credits. The state expenditures for PTRC and Homestead Credits would increase by about \$1.3 M. If the formula was funded on a per student basis then the impact would be about \$21 M for CY 2006 and about \$31.6 M for CY 2007 from state and local sources.

Explanation of State Revenues:

Explanation of Local Expenditures: School would have addition expenses with providing educational programs for the 16 to 18 year olds that would have dropped out of schools. The additional costs would depend on the programs schools provided.

Explanation of Local Revenues: *See Explanation of State Expenditures.*

State Agencies Affected: Department of Education.

Local Agencies Affected: Local Schools.

Information Sources: School Formula Simulations, Department of Education Databases.

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